

Message Text

UNCLASSIFIED

PAGE 01 STATE 199783

ORIGIN OPIC-06

INFO OCT-01 ARA-14 ISO-00 EB-08 /029 R

DRAFTED BY OPIC/ID/LA:BTMANSBACH

APPROVED BY EB/IFD/OIA: MPBOERNER

OPIC/D/RSSMITH

EB/IFD/OIA:DVGRANT

OPIC/AP:RMPOATS

ARA/ECA:SMYLES

-----009238 230022Z /64

P 222226Z AUG 77

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA PRIORITY

INFO AMCONSUL RECIFE PRIORITY

AMCONSUL BELEM PRIORITY

UNCLAS STATE 199783

E.O. 11652: N/A

TAGS: EINV

SUBJECT: OPIC--FIRST NATIONAL BANK OF BOSTON

1. THIS CABLE IS TO CONFIRM MARSHALL/MANSBACH AUGUST 18
TELCON.

2. ON AUGUST 2, OPIC BOARD OF DIRECTORS APPROVED ISSUANCE
OF INSURANCE CONTRACT TO COVER A LOAN BY THE FIRST NATIONAL
BOSTON CORPORATION (FNBC) TO THE BRASILIA BRANCH OF THE
FIRST NATIONAL BANK OF BOSTON (FNBB) IN THE AMOUNT OF US
DOLLARS 50 MILLION. IN OPIC'S VIEW, PURPOSE AND APPROACH
OF FNBC LOAN MAKE PROJECT UNIQUE AND DEMONSTRATE HOW PRI-
VATE SECTOR CAN ASSIST IN DEVELOPMENTAL PROJECTS. THE
MOST IMPORTANT ASPECTS OF THE INVESTMENT ARE AS FOLLOWS:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 199783

A. FUNDS FOR THE FNBC/FNBB LOAN WILL BE SOURCED IN U.S.
SHORT TERM COMMERCIAL PAPER MARKET WHICH CARRIES AN
INTEREST RATE OF APPROXIMATELY ONE PERCENT LESS THAN LIBO.

B. PURPOSE OF FNBC'S MAKING THE LOAN TO FNBB'S B.RASILIA
BRANCH (RATHER THAN RIO OR SAO PAULO) IS TO ATTEMPT TO
DEVELOP A SIGNIFICANT FINANCING SOURCE IN THAT CITY.

C. IN AGREEMENT WITH OPIC, FNBC WILL COMMIT ITSELF TO

REQUIRE FNBB TO UTILIZE THE LOAN PROCEEDS FOR RELENDING ON
A MEDIUM OR LONG TERM BASIS FOR PROJECT FINANCING IN THE
LESSER DEVELOPED AREAS OF BRAZIL.

3. IN CONNECTION WITH PARAGRAPH 2(C) ABOVE, FNBB HAS HELD
DISCUSSIONS WITH REPRESENTATIVES OF THE CENTRAL BANK AND

OF THE BNDE TO ELICIT THEIR SUPPORT AND ASSISTANCE IN
FINDING APPROPRIATE DEVELOPMENTAL PROJECTS. IT IS OPIC'S
BELIEF, HOWEVER, THAT SMALLER AND MORE LABOR INTENSIVE
PROJECTS COULD PROBABLY BE IDENTIFIED THROUGH STATE AND
REGIONAL DEVELOPMENT INSTITUTIONS. TO THAT END, OPIC
DIRECTOR FOR LATIN AMERICA (INSURANCE), B. THOMAS MANSBACH,
WISHES TO VISIT THE FOLLOWING INSTITUTIONS WITH REPRESEN-
TATIVES OF FNBC/FNBB (JEFFREY MORBY, SENIOR VICE PRESIDENT
OF FNBB IN BOSTON AND A MANAGER
OF FNBB IN RIO/BRASILIA) IN ORDER TO ENHANCE COLLABORA-
TION ON DEVELOPMENTAL PROJECTS AND TO ASSURE THAT
HIGHLY DEVELOPMENTAL PROJECTS IN THE LESS DEVELOPED
PARTS OF BRAZIL CAN, IN FACT, BE IDENTIFIED AND ESTABLISH
THE TYPES AND LEVEL OF ASSISTANCE WHICH THESE INSTITUTIONS
CAN PROVIDE FOR THE BANK AND VICE VERSA:

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 199783

- A. BRASILIA - BNDE, SUDAM, SUDECO, INCRA, INDA
- B. RECIFE - SUDENE
- C. FORTALEZA - SUDEC
- D. MANAUS - SUDAM
- E. BELEM - SUCH DEVELOPMENTAL AGENCIES AS MAY BE KNOWN TO
CONSUL.

4. OPIC/FNBB ITINERARY IS AS FOLLOWS:

SUNDAY, AUGUST 28 - ARRIVE BRASILIA (EVENING).
TUESDAY, AUGUST 30 - DEPART BRASILIA VIA QD 510 AT 10:30AM
--ARRIVE RECIFE 1:35 PM.
WEDNESDAY, AUGUST 31 - DEPART RECIFE VIA VP 190 AT 11:45AM
--ARRIVE FORTALEZA 12:45 PM.
WEDNESDAY, AUGUST 31 - DEPART FORTALEZA VIA SC 300 AT
--8:45 PM, ARRIVE MANAUS 12:25 AM.
FRIDAY, SEPTEMBER 2 - DEPART MANAUS VIA VP 191 AT 9:15AM
--ARRIVE BELEM 12 NOON.

WITH THE EXCEPTION OF BRASILIA, WOULD APPRECIATE BEING
MET AT AIRPORTS WHERE FEASIBLE AND WOULD APPRECIATE
EMBASSY/CONSUL ARRANGING HOTEL ACCOMMODATIONS. REQUEST

EMBASSY CONCURRENCE.

5. WOULD APPRECIATE EMBASSY/CONSUL/CONSULAR AGENTS MAKE APPOINTMENTS WITH HIGHEST LEVEL REPRESENTATIVE POSSIBLE IN EACH OF LISTED INSTITUTIONS, PLUS WHATEVER OTHER INSTITUTIONS OR BANKS MAY BE APPROPRIATE. BELIEVE THAT SELLING POINT OF PROGRAM IS THAT THIS IS AN OPPORTUNITY FOR EACH INSTITUTION TO MAKE ITS PLANS KNOWN TO A NEW SOURCE OF FINANCING, BEARING IN MIND THAT FNBB WILL BE LENDING TO PRIVATE SECTOR OR MIXED COMPANIES RATHER THAN TO DEVELOPMENT BANKS AND LOANS WILL BE MADE ON COMMERCIAL (AS OPPOSED TO CONCESSIONAL) BASIS.

6. FOR BELEM: PLEASE PASS CONTENTS OF CABLE TO CONSULAR UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 199783

AGENT IN MANAUS.

7. FOR BRASILIA: IN ADDITION TO ABOVE MEETINGS, MANSBACH WOULD ALSO APPRECIATE APPOINTMENT WITH APPROPRIATE FIRCE OFFICIALS TO REVIEW STATUS OF APPLICATIONS FOR FGA'S. MANSBACH WILL ALSO BE PREPARED TO DISCUSS CURRENT STATUS OF NEW RESTRICTIONS ON OPIC PROGRAMS IN BRAZIL WITH EMBASSY AND, IF APPROPRIATE, WITH GOB OFFICIALS. CHRISTOPHER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, BANKS, LOAN GUARANTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE199783
Document Source: CORE
Document Unique ID: 00
Drafter: BTMANSBACH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770303-0381
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770836/aaaabef.tel
Line Count: 144
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2b126956-c288-dd11-92da-001cc4696bcc
Office: ORIGIN OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1524373
Secure: OPEN
Status: NATIVE
Subject: OPIC--FIRST NATIONAL BANK OF BOSTON
TAGS: EINV, US, BR, OPIC, FIRST NATIONAL BANK OF BOSTON
To: BRASILIA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/2b126956-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009